



**U.S. Department of Justice**

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**EVENT: Sentencing**

**Defendant: Abdulmir Berro**

**DEARBORN MAN SENTENCED TO 70 MONTHS IN FRAUD SCHEME**

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A 38-year-old Dearborn man was sentenced today to 70 months' imprisonment for charges related to a large-scale scheme to defraud credit card companies and the bankruptcy court, United States Attorney Stephen J. Murphy announced today.

Abdulmir Berro was sentenced by United States District Judge John Corbett O'Meara in Ann Arbor. Berro pleaded guilty in August to racketeering conspiracy in this case, in which all nineteen defendants pleaded guilty. In addition to the prison sentence, Berro was ordered to pay \$669,125 in restitution.

U.S. Attorney Murphy was joined in the announcement by Special Agent in Charge Daniel D. Roberts, Federal Bureau of Investigation, Detroit Division and Special Agent in Charge Maurice Aouate of the Internal Revenue Service.

Mr. Murphy said: "The bankruptcy system exists to provide a safety net for citizens facing dire financial problems. Defendants who exploit this system to defraud their creditors

will be aggressively prosecuted. I applaud the efforts of the FBI and the IRS to successfully investigate and obtain convictions of all of the defendants involved in this complex and varied scheme.”

According to documents filed in the case, from March 1999 through April 2004, the defendants defrauded numerous creditors and the bankruptcy court through a large-scale credit card “bust out” scheme. As part of the scheme, Abdulmir Berro processed almost \$300,000 in credit card transactions for other defendants in exchange for cash and discounted merchandise, knowing that payment would not be made for the charges. The credit card companies and banks transferred funds to Abdulmir Berro in the amount of the charges to the credit cards but ultimately never received payment from the defendant-credit card holders.

The defendants maximized the value they could obtain from the credit cards by making charges on the cards, submitting non-sufficient funds checks to free up the available credit on the card, and then making additional charges on the cards before the card issuers became aware that the checks were worthless. The defendants then took steps to evade collection efforts by creditors by declaring bankruptcy so creditors could not attach assets or otherwise collect on amounts owed. Through their bankruptcy proceedings, the defendants sought to avoid payment of nearly \$3 million in debt.

Some defendants also concealed assets from the bankruptcy court by fictitiously selling their homes to their wives or adult children, who made fraudulent statements to qualify for mortgage loans. Some defendants also engaged in financial transactions designed to conceal assets and funds from bankruptcy court and creditors. Abdulmir Berro assisted some of the defendants in concealing assets.

Remaining defendants will be sentenced later this month and in January.

The investigation of this case has been conducted by the Federal Bureau of Investigation and the Internal Revenue Service. The case has been prosecuted by Assistant U.S. Attorneys Cathleen M. Corken and Barbara L. McQuade.